

Online Retailer Endorsement in B2C E-tailing

R. Nithya, K. Selvavinayagam

Abstract: Any service sector thrives on excellent service quality and comprehensive understanding of consumer needs and expectations. It takes great effort by online retailers to garner the attention of potential consumers in a heavily competitive market. Social media too plays a crucial role in either spreading positive or negative perceptions and posts by consumers about their experiences abound in plenty on various websites and blogs. All this points to the fact that consumer endorsement is critical for the survival and growth of online retailers. This paper aims at assessing certain significant factors like Perceived Value, Online Retailer Fondness, Online Engagement and Online Retailer Service Quality and their impact on Online Retailer Endorsement. Purposive sampling was employed to target online consumers who had made purchases using e-commerce portals. 718 online shoppers answered the survey and regression analysis was employed to assess the outcome.

Keywords: Online Retailing, Value, Engagement, Fondness, Endorsement.

I. ONLINE RETAILING SCENARIO

E-commerce in India has indeed transformed the way consumers search for information and shop. The young generation find this medium to be more convenient and the access to smartphones and credit/debit cards has influenced the inclination to shop online. However, there are still plenty of roadblocks and online retailers are indeed struggling to up the game. E-commerce is still viewed with suspicion by many and intangibility accentuates the problem. The scenario is no more restricted to local players. Foreign giants have created separate websites and apps for the Indian audience and a few Indian ventures are doing great business.

II. NEED FOR THE RESEARCH

Mere traditional marketing by online retailers will not suffice. The story has shifted from mere loyalty to fondness for the online retailer and endorsement. There seems to be an overflow of social media and every opinion and online post counts. Online retailers need to toil to generate positive endorsement to not just stay in the race but also to grow. This paper deals with the impact of certain critical factors and their impact on online retailer endorsement. It not only adds value to existing literature but also provides insights into prevailing customer behaviour and what the future holds for online retailing.

III. OBJECTIVES OF THE RESEARCH

The objective of the research was to analyse the impact of independent variables (Perceived Value, Online Retailer

Fondness, Online Engagement and Online Retailer Service Quality) on the dependent variable termed online retailer endorsement. The impact of gender on these variables was also to be assessed.

IV. REVIEW OF LITERATURE

IV.1 Perceived Value

Hsu and Luan¹ aimed to assess the perception about risk in online shopping and how it influences consumer attitude and purchase intention. This study considered four perception risks found in online shopping; in the form of financial risk, after sale risk, quality risk and private risk. If perceived value on the product purchased or planned to purchase is found more than the risk associated with online shopping, the customer will continue to purchase. Findings showed that convenience, physical, social, and performance of perceived risk are the significant factors that affect customer attitude towards online shopping. Moreover, results revealed that perceived risk directly influences customer attitude and indirectly influence their purchase intention. In conclusion, it was found that reduction of perceived risk can lead to enhanced customer attitude in the direction of online shopping and customer interest toward purchase intention Hai Quynh et al.² analysed the influence of certain variables apropos engagement of customers and fostering of loyalty. These comprised the reputation of the organisation, image of the brand and the value perceived. This study revealed that perceived value is a precursor to customer satisfaction' it mainly relies on brand and corporate reputation. Customer engagement is mainly created on the basis of customer satisfaction and it finally ends with customer loyalty in online shopping. It was found that customer satisfaction's influence on customer engagement is high; but corporate reputation failed to moderate the association between customer engagement and perceived value. Results revealed that customer perception on a brand or product is found to be at a satisfactory level; the customer shows repurchase intention and refers others to purchase. It was concluded that perceived value has significant influence on customer engagement in online shopping.

Vidyashree et al.³ studied customer perception towards e-shopping. This study emphasised that online shopping permits the customers to directly purchase goods and services from a vendor through internet using web browser. This study also highlighted that customers utilise internet for comparing product prices, features of product and after sale services. It was also found that customer perception on online shopping differs from one person to another and perception is confined to a certain degree with the availability of proper connection. The perceived value of product increased the customer perception towards making purchase through online shopping. Findings also indicated that online transactions should be flexible for the shoppers who have knowledge on using tools to make online

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purchase. It was concluded that customer perception is found to be positive in the direction of online shopping.

IV.2 Online Retailer Fondness

Wang et al.⁴ aimed to study the reviews penned by online shoppers to ascertain their experience. This study identified sensory experience, brand reliance experience, service experience, and parts experience as dimensions of customer experience. It also included purchase experience, brand comparison experience, value perception experience, quality assurance experience, and compensation experience. This study revealed that service experience, purchase, brand comparison, and compensation experiences can be certified by fondness of the customer. Moreover, website design, classified display, product quality and information, and other services provided by the retailer can increase customer experience. Results showed that when customer experience is found to be positive it will foster positive reviews about the products. It was concluded that experience of shoppers can be fostered and improved in online shopping through the efforts of online retailer. Choi and Mai⁵ examined the sustainable role of e-trust in the business to consumer e-commerce business. This study revealed that high risk aversion attitude of customer causes many problems because of their decreased levels of trust. It was also found that fondness towards online retailer stems from more trust on online shopping. Results revealed that e-service factors like convenience, responsiveness, usefulness, assurance, and security have positive impact on customer loyalty. It was also found that service quality improvement and creating long-term development strategy in aspects like life security, usefulness and assurance is mostly required to satisfy customers. It was concluded that developing security along with increasing trust level is the most important method to reach customer loyalty in online shopping. Sharma⁶ aimed to check consumer perceived risk towards online shopping. This study disclosed that online shopping offers different advantages to the consumers in the form of time- saving and minimal effort. Due to the active support of online retailers, it offers more options to search different products and facilitates the comparison of prices and other features. Results revealed that different products and services with multiple price tags can be accessed in online shopping portals. Many customers have interest to purchase products online but some other have fear of risk. Results revealed that customers feared various risks apropos social perspective, time factor, financial costs, psychological perspective, privacy risk, and performance parameters while shopping products online. Findings also showed that online retailer focus on customer welfare helps to decrease the risk associated with online shopping.

III.3 Online Engagement

Alcantara-Pillar et al.⁷ aimed to examine how consumers form their attitude towards a website. Moreover, it aimed to check how it is affected by perceived usefulness, perceived risk and usability and its role in enhancing purchase intention. Customers are highly interested to purchase products through online shopping, therefore websites are specifically designed to meet the customer expectations. Results revealed that online engagement of customers widely relies on the usefulness of the website and lack of risk in

using websites for purchase of product. Findings also indicated that usability and perceived usefulness exert a positive impact on customer attitude towards websites. It was concluded that consumer attitude towards a product or service should be enhanced to foster more customer online engagement. Karaboga⁸ assessed shopping sites in cyberspace based on the value perceived and the satisfaction level of the customer. Value perceived by customer is an internal comparison and assessment condition that appears about product or service before its actual purchase. This study showed that perceived customer satisfaction is also internal assessment found mostly at the end of product usage. Results revealed that if the perceived value and perceived customer satisfaction is found positive, there will be more online engagement. Findings also revealed that there is a significant relationship between perceived customer value and perceived service quality concerning online shopping. Moreover, there is a significant connection between social value, financial value, emotional value, and functional value of perceived value with perceived customer satisfaction. It was concluded that online shopping sites must take more measures to foster customer online engagement. Magesh and Balaji⁹ examined customer engagement in online retailing. This study was initiated with the motive of exploring and assessing factors impacting customer engagement in online shopping. Both the customer and marketers are at times finding it cumbersome in transacting business in online retailing environment. This study considered that e-tailer loyalty is dependent on identification, attention, interaction, enthusiasm, and absorption factors in online retailing. Results revealed that attention is the main factor to extract e-tailer loyalty. It is followed by enthusiasm, identification, absorption and interaction factors in extracting e-tailer loyalty. This study suggested that information furnished in the website needs to be updated on a continual basis to facilitate the customers to access more relevant information.

IV.4 Online Retailer Service Quality

Lin et al.¹⁰ aimed to assess as to what is the implication of service quality on online customer loyalty. This study stressed the growth of technology in an atmosphere of continuous modernisation. Online shopping brings attention about products and services to different customer segments. Therefore, offering better service quality to the customer will increase market share for the product and online retailers. The results showed that increasing website convenience, offering preferential prices, strengthening website security, ease of use and enhancing flexibility of customer services can increase service quality. The improvement in service quality aspects of the online retailer can increase customer loyalty instantly. Findings of the study concluded that price, reliability, safety, flexibility, and ease of use of service have positive and compelling influence on customer loyalty. It was concluded that quality of the website's service has an affirmative imprint on loyalty exhibited by the customer.. Mahajan¹¹ analysed the factors and perceptions of millennial about online retailing business. It was found that retail industry has evolved as a fast-paced and rapidly changing sector because of entry of more players into this industry. Millennial considers the following aspects while making online shopping; it includes website attraction,

user friendly mechanism, clear and easy language, fast opening, and replacement guarantee. Moreover, service satisfaction, privacy of data, timely delivery, refund of money, prompt response, need understanding, respect from employees, and perfect tracking system are considered important by the millennial customers. Furthermore, service guarantee, low price, originality, easy feedback, and durability of products are also considered by the millennial customers. It was concluded that these factors form millennial customer perception and facilitate their online engagement.

Kaur¹² investigated the determinants of e-service quality in e-retailing. This study emphasised that growth of technology and internet has put stress on marketers to ensure quality service to increase customer satisfaction. Results indicated that e-service quality can be increased through prompt e-mail response, complaint handling, return policy, offer intimation, and fair compensation for damages. Moreover, proper packing, order cancellation facility, return options, tracking systems, security policy, and no financial risk are also considered as important aspects in e-service quality. In addition to that, visually appealing website, innovation, quick loading, complaint recognition, well organised website, and instant assistance online are also considered to be the essential determinants of e-service quality. Increase in the service quality in online retailing increases customer satisfaction. It was concluded that e-tailing success mostly relies on e-service quality.

IV.5 Online Retailer Endorsement

Akbar and Azeemi¹³ scrutinised the factors affecting consumer behaviour towards e-shopping. This study identified perceived trust, website design quality, perceived convenience, and promotions as the important factors affecting behaviour of customers in online shopping. It was found that online retailer endorsement is a pertinent tool in increasing consumer behaviour apropos shopping in cyberspace. Results revealed that website design quality has considerable influence on consumer behaviour in e-shopping. Moreover, aspects like convenience, promotion and perceived trust have no significant association with consumer behaviour in online shopping. Findings of the study suggested that online retailer should make appropriate measures to improve convenience, promotion and trust among online shoppers. In summary, it was found that consumer behaviour towards e-shopping is a new phenomenon and marketers should make proper initiatives to develop it. Pauzi et al.¹⁴ examined the forces impacting the intention of consumer apropos grocery shopping online. This study stressed that hedonic motivations, social influences, facilitating conditions, perceived trust and risk are the significant factors that affect intention of customers in cyberspace shopping. It was also observed that the results are important for online retailers as it assists them to recognise what factors drive customer purchase intention. Results revealed that perceived trust in online shopping can be maximised by online retailer endorsement in the form of supporting services. Results also showed that customer intention in online shopping seeks active support from online retailers. Customers are most interested in aspects like payment being secure, delivery on time, exchange or return of products while purchasing grocery from cyberspace portals. Intention of customers must be improved with the

cooperation of retailers in cyberspace. Nguyen et al.¹⁵ analysed consumer behaviour and order fulfilment in online retailing. This study revealed that consumer behaviour is dependent on various factors connected with online retailer support. Order fulfilment is the basic requirement to a consumer while ordering product in online portal. Results showed that inventory management, returns management, and last-mile delivery are the antecedents of order fulfilment. It shapes consumer behaviour in the form of purchase intention; repurchase intention, and product return decisions. Moreover, results revealed that marketing incentives may impact effective relationship between order fulfilment of consumer and consumer behaviour in online shopping. It was concluded that if online retailers failed to honour order fulfilment of consumers, consumers will avoid further purchases and spread negative information about the online retailer.

V. METHODS

Purposive sampling was employed to target online consumers who had made purchases using e-commerce portals. A survey was administered with the help of a questionnaire and the responses of 718 online shoppers was analysed. This paper showcases the outcome of regression analysis.

VI. Analysis and Discussion

VI.1 Regression Analysis

Endorsement of the Online Retailer (Y) was the dependent entity while Perceived Value (X₁), Online Retailer Fondness (X₂), Online Engagement (X₃) and Online Retailer Service Quality (X₄) were the independent entities. Table 1 portrays the summary of the model while Table 2 exhibits the F-ratio and the significance value.

Table 1: Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.741 ^a	0.548	0.546	1.360

Table 2: ANOVA^a

	Sum of Squares	df	Mean Square	F	p
Regression	1601.293	4	400.323	216.425	0.000 ^{b**}
Residual	1318.842	713	1.850		
Total	2920.135	717			

a. Dependent Variable: Endorsement of the Online Retailer (dependent).

b. Perceived Value, Fondness for Online Retailer, Online Engagement, Online Retailer Service Quality and Constant (Predictors).

** p value is significant below 1 percent.

Table 3 presents the coefficients, t and p values.

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Table 3: Variables in the Multiple Regression Analysis

Variab les	Unstandar dised co-efficient B	Std. Erro r of B	Standard ised co-efficie nt Beta	t value	p value
Consta nt	1.072	0.2 55		4.20 9	0.000 **
X ₁	0.109	0.0 22	0.181	5.04 7	0.000 **
X ₂	0.341	0.0 32	0.336	10.5 36	0.000 **
X ₃	0.033	0.0 07	0.128	4.48 8	0.000 **
X ₄	0.137	0.0 18	0.273	7.62 2	0.000 **

** Denotes significant at 0.1 percent level

$$Y = 1.072 + 0.109X_1 + 0.341X_2 + 0.033X_3 + 0.137X_4$$

Perceived Value, Online Retailer Fondness, Online Engagement and Online Retailer Service Quality have an affirmative impact on Online Retailer Endorsement.

When Perceived Value has a unit gain, Online Retailer Endorsement would increase by 0.109. When Online Retailer Fondness has a unit gain, Online Retailer Endorsement would increase by 0.341. When Online Engagement has a unit gain, Online Retailer Endorsement would increase by 0.033. When Online Retailer Service Quality has a unit gain, Online Retailer Endorsement would increase by 0.137.

VI.2t-Test

Hypothesis: There is statistically significant difference between male and female online customers apropos perception about perceived value, online retailer service quality, online retailer fondness, online retailer endorsement and online customer engagement. Null Hypothesis: There is no statistically significant difference between male and female online customers apropos perception about perceived value, online retailer service quality, online retailer fondness, online retailer endorsement and online customer engagement. Table 4 presents the composition of online shoppers (respondents) in terms of gender. t-Test was executed to assess the impact of gender and the outcome is shown in Table 5.

Table 4: Gender of Online Shoppers

Gender	Count	Percentage
M	406	56.5
F	312	43.5
Total	718	100.0

Table 5: Analysis of Variance (Gender)

Variables	Gender	N	Mean	Std. Deviation	Std. Error	t	p
Perceived Value	M	406	13.07	3.386	0.168	0.845	0.398
	F	312	13.28	3.297	0.187		

Online Retailer Service Quality	M	406	15.98	4.051	0.201	0.286	0.775
Online Retailer Fondness	F	312	15.89	4.019	0.228		
Online Retailer Endorsement	M	406	8.36	2.137	0.106	0.284	0.777
Online Customer Engagement	F	312	8.41	1.784	0.101		
Online Retailer Endorsement	M	406	8.28	2.072	0.103	1.667	0.096
Online Customer Engagement	F	312	8.53	1.939	0.110		
Online Customer Engagement	M	406	25.07	8.102	0.402	1.846	0.065
Online Customer Engagement	F	312	26.12	7.516	0.426		

F is the abbreviation for Female and M is the abbreviation for Male.

Table 5 indicates that all p values were observed to be insignificant. The null hypothesis is therefore endorsed. Statistically significant difference is established between male and female online customers apropos perception about perceived value, online retailer service quality, online retailer fondness, online retailer endorsement and online customer engagement.

VI. CONCLUSION

Online Retailer Fondness (0.341) is the critical factor apropos Online Retailer Endorsement. Online Retailer Service Quality (0.137), Perceived Value (0.109), and Online Engagement (0.033) follow in that order. Competition in the online retail market abounds and it is becoming increasingly difficult for online retailers to catch the attention of potential customers and to eventually persuade them to purchase their products. But the story does not stop there. The ultimate aim to foster endorsement of the online retailer. Lines have blurred in terms of perception of genders. Male as well as female are engrossed in cyberspace and both look forward to a delightful experience as this what ultimately fosters endorsement. Endorsement by customers can only be achieved through transparency, excellent service delivery, speedy redressal of grievances and security. This also requires continuous research of the customers' needs and perception. Online retailers must optimally utilise multiple channels to foster smooth transactions and to go beyond loyalty. Positive endorsements by existing customers can change the game and it would not just build the reputation but also multiply the customer base.

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